

UNITED STATES PATENT AND TRADEMARK OFFICE
CERTIFICATE OF CORRECTION

PATENT NO. : 7,493,280 B2
APPLICATION NO. : 09/902928
DATED : February 17, 2009
INVENTOR(S) : Kemal Guler et al.

Page 1 of 13

It is certified that error appears in the above-identified patent and that said Letters Patent is hereby corrected as shown below:

On the Title Page

Below item (57) Abstract, replace "24 claims, 20 Drawing Sheets" with --24 claims, 11 Drawing Sheets--.

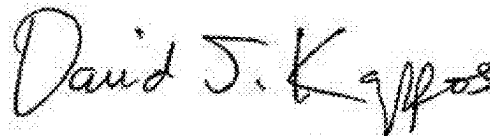
In the Drawings

In the drawings, delete drawing sheets 11-16 of 20 consisting of figs. 11A to 11F and replace therefor drawing sheet 11 having replacement fig. 11 as shown on the attached page 2 of 2, replacement drawing sheet 11 of 11.

The set of drawings have been replaced to reflect figs. 1-11 as shown on attached new set of drawings having 11 drawing sheets.

In col. 22, line 4, in claim 4, after "receiving" delete "said".

Signed and Sealed this
Twenty-eighth Day of August, 2012

A handwritten signature in black ink that reads "David J. Kappos". The signature is written in a cursive, flowing style with a large initial "D".

David J. Kappos
Director of the United States Patent and Trademark Office

(12) **United States Patent**
Guler et al.

(10) **Patent No.:** **US 7,493,280 B2**
(45) **Date of Patent:** ***Feb. 17, 2009**

(54) **METHOD AND SYSTEM FOR SETTING AN OPTIMAL RESERVE PRICE FOR AN AUCTION**

6,871,190 B1 * 3/2005 Seymour et al. 705/37

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Fereydoon Safai, Los Altos Hills, CA (US);
Ren Wu, San Jose, CA (US)

FOREIGN PATENT DOCUMENTS

EP 1085445 A1 * 3/2001

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Bulow et al (The Journal of political economy, vol. 97, No. 5. (Oct. 1989), pp. 1060-1090).*

* cited by examiner

Primary Examiner—Thomas A. Dixon
Assistant Examiner—Ojo O. Oyeibisi

(73) **Assignee:** **Hewlett-Packard Development Company, L.P.**, Houston, TX (US)

(*) **Notice:** Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 1642 days.

This patent is subject to a terminal disclaimer.

(57) **ABSTRACT**

One embodiment of the present invention provides a method and system that computes the optimal level of the reserve price for an auction, with respect to a multiplicity of possible evaluation criteria that the end user of the system may specify. In one embodiment, structural elements characterizing the auction situation are estimated from bid data available on past auctions. The estimated structural elements are then used in the formulation of the user's expected payoff as a function of the reserve price. This objective function is then optimized to obtain the best level of the reserve price. In one embodiment, this method is implemented by a process executed on a computer system, under the control of software and firmware directing the operation of its processors and components. In one embodiment, a computer readable medium causes a computer system to execute the steps in a process for implementing the method.

(21) **Appl. No.:** **09/902,928**

(22) **Filed:** **Jul. 10, 2001**

(65) **Prior Publication Data**

US 2003/0055773 A1 Mar. 20, 2003

(51) **Int. Cl.**
G06Q 40/00 (2006.01)

(52) **U.S. Cl.** **705/37; 705/35**

(58) **Field of Classification Search** **705/37;**
705/36 R, 27, 80, 26

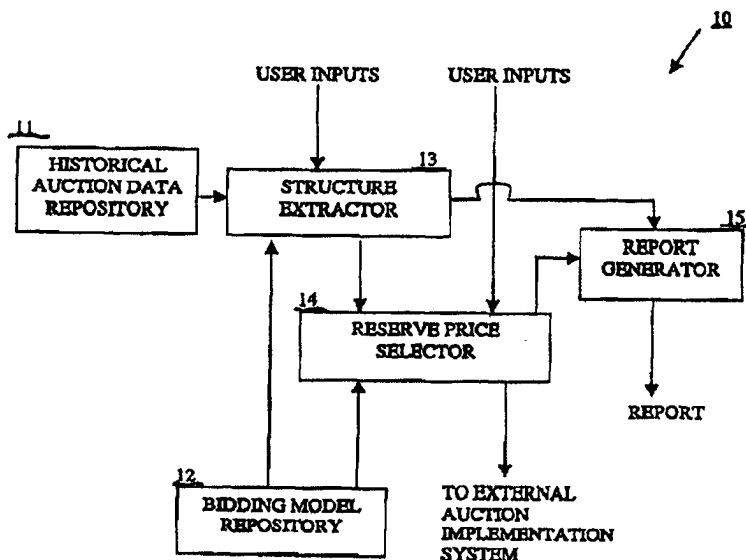
See application file for complete search history.

(56) **References Cited**

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6,415,270 B1 * 7/2002 Rackson et al. 705/36 R

24 Claims, 11 Drawing Sheets



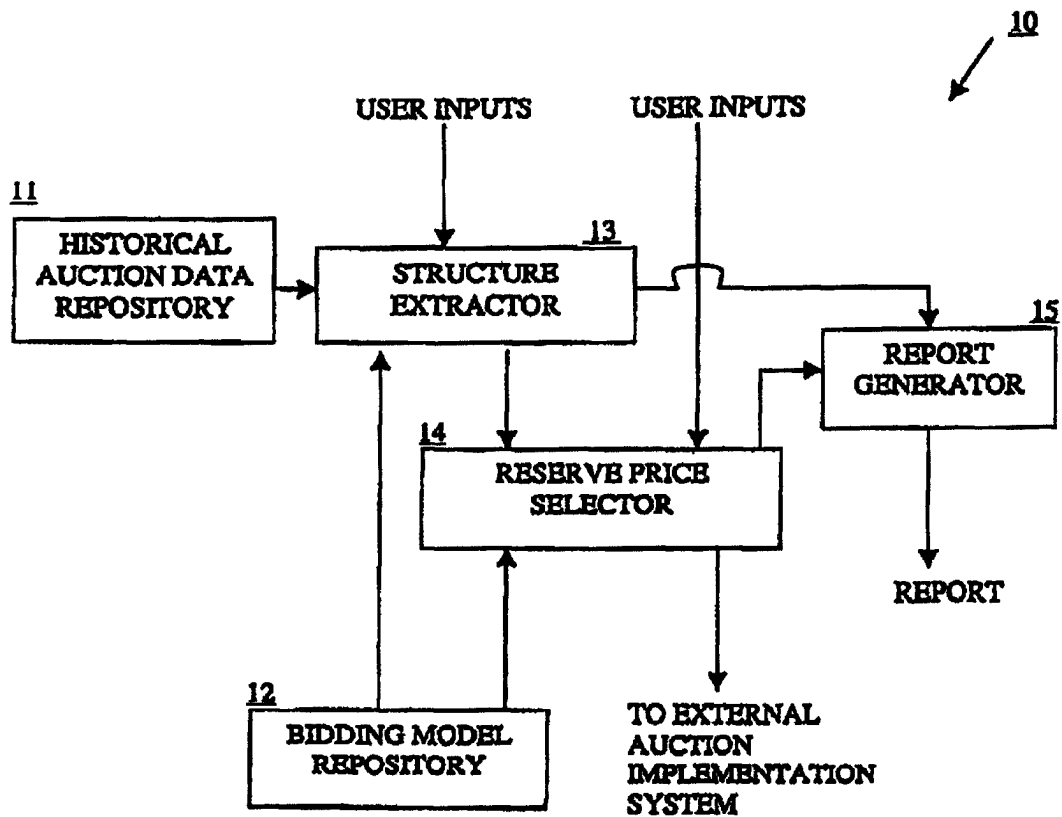


FIGURE 1

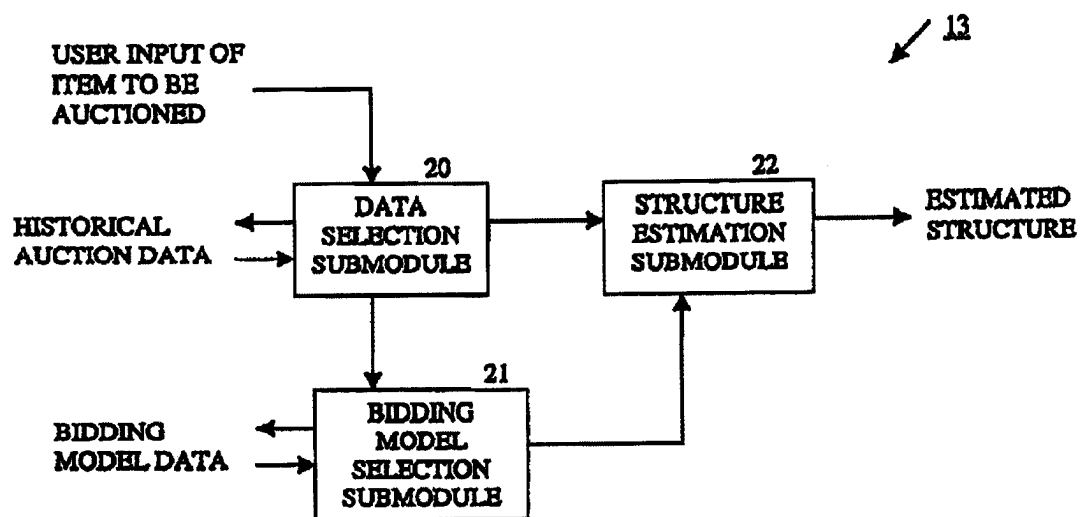


FIGURE 2

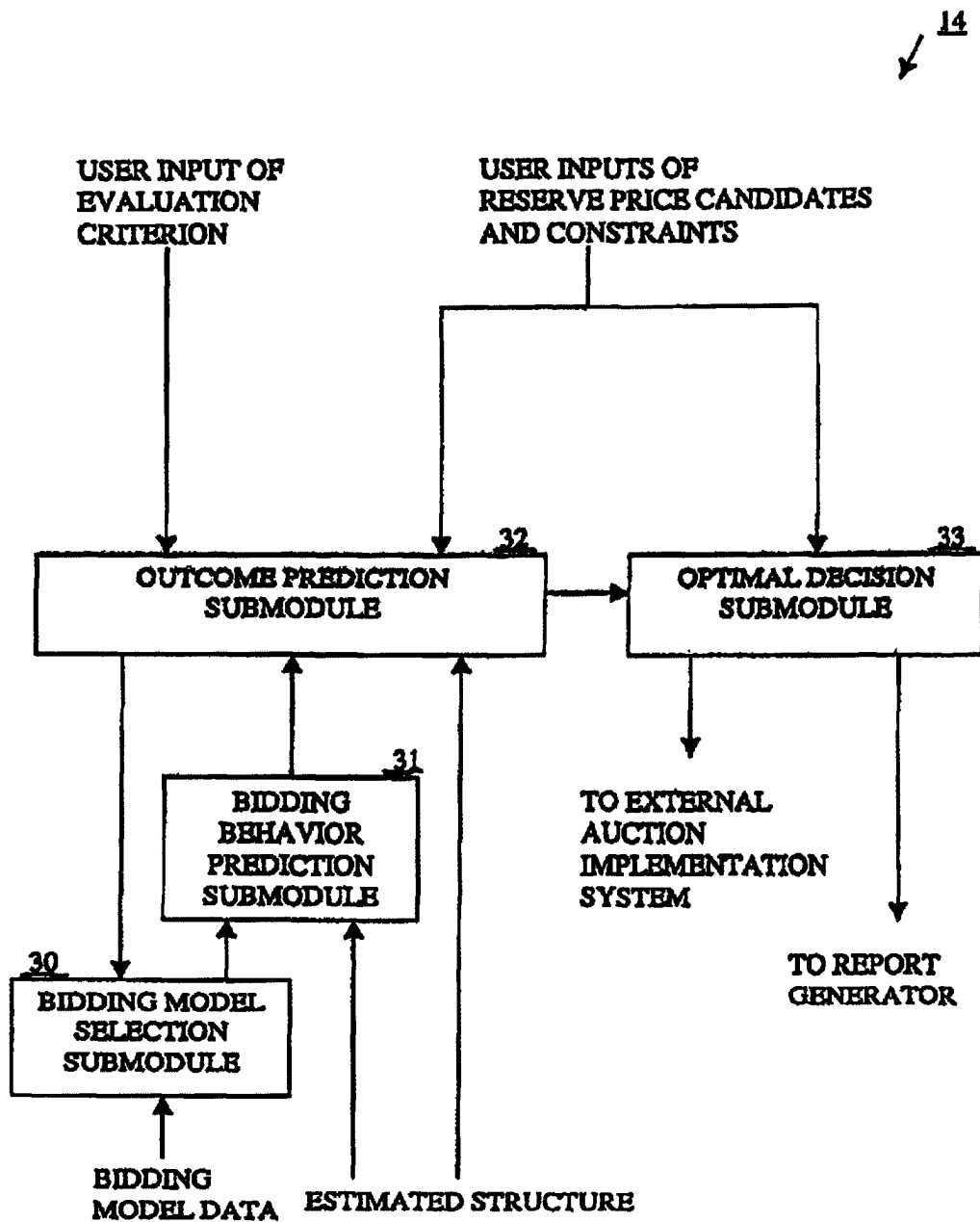


FIGURE 3

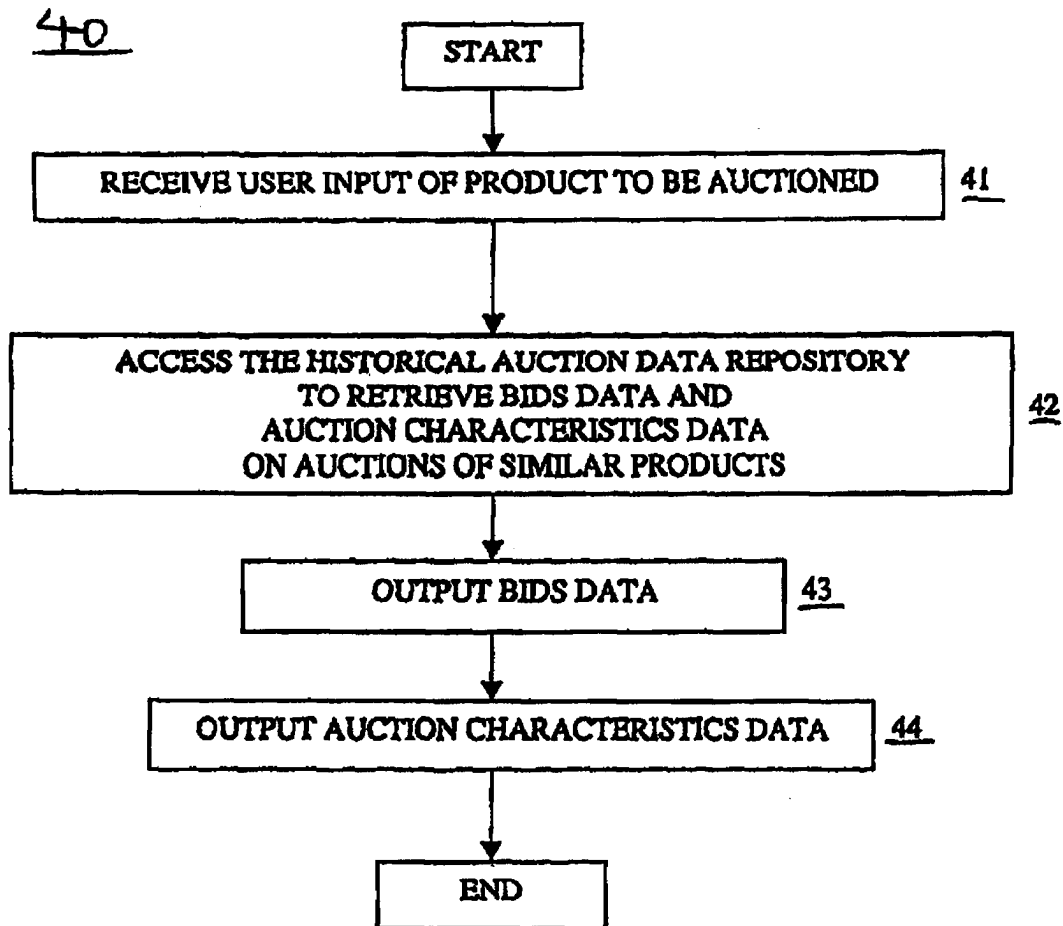
DATA SELECTION SUBMODULE

FIGURE 4

BIDDING MODEL SELECTION SUBMODULE

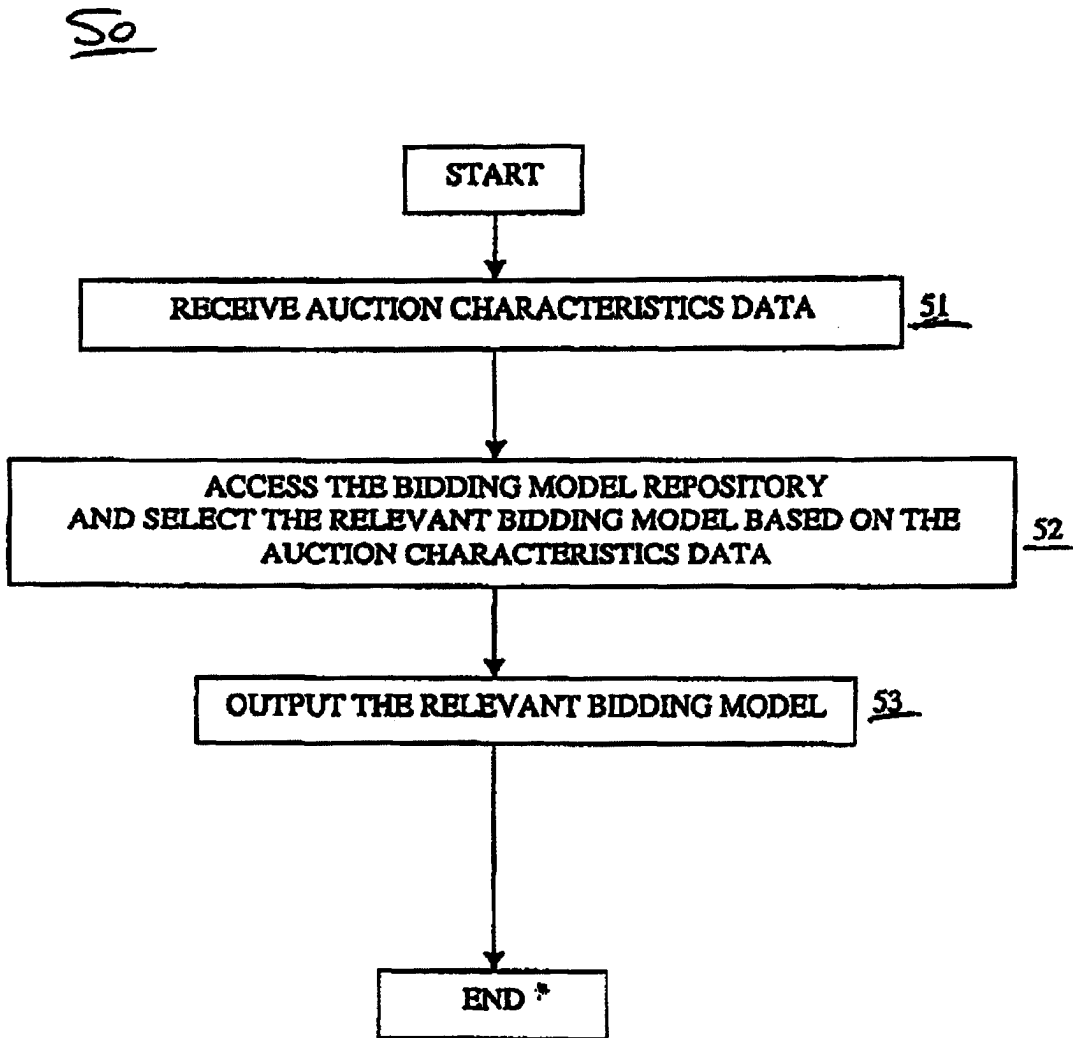


FIGURE 5

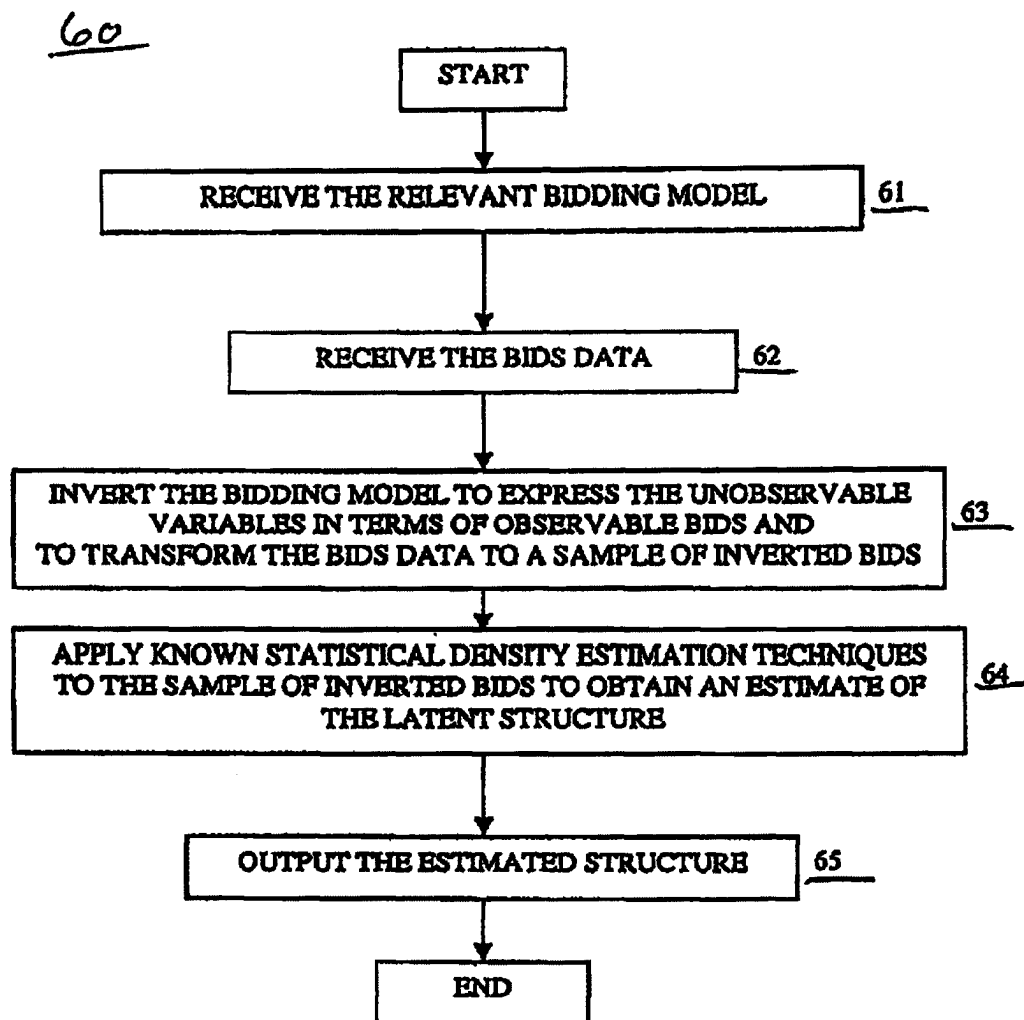
STRUCTURE ESTIMATION SUBMODULE

FIGURE 6

BIDDING BEHAVIOR PREDICTION SUBMODULE

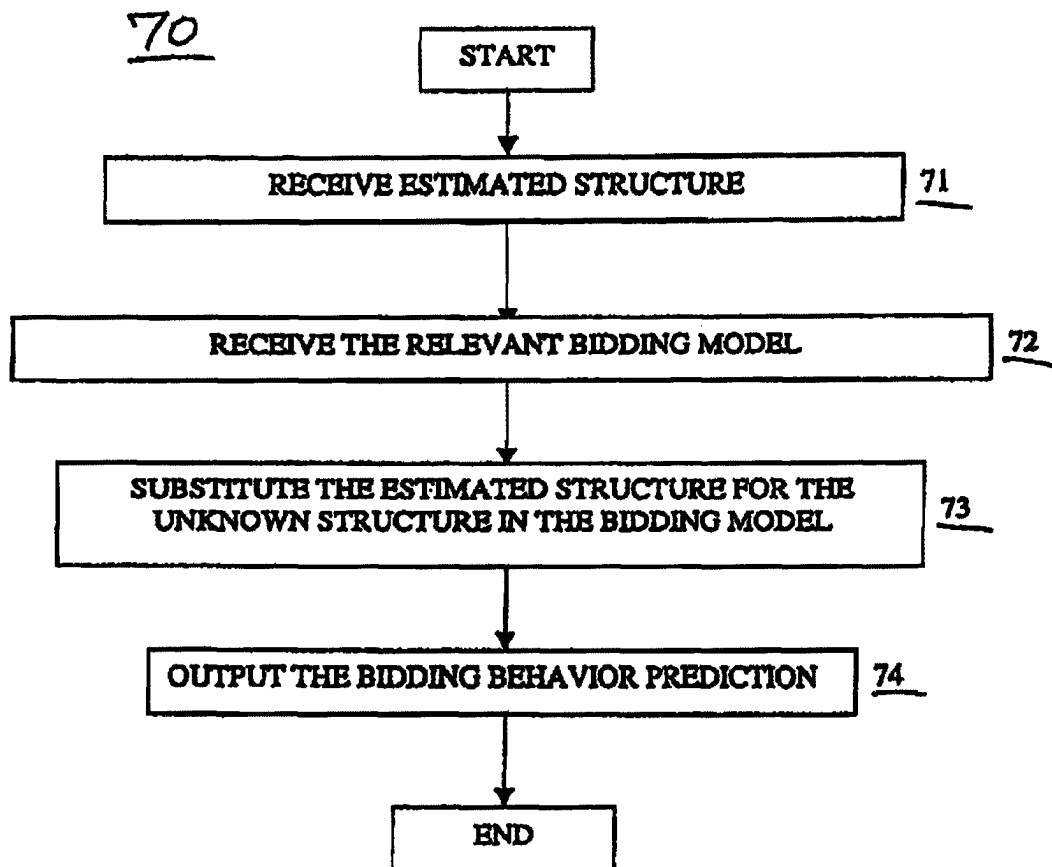


FIGURE 7

OUTCOME PREDICTION SUBMODULE

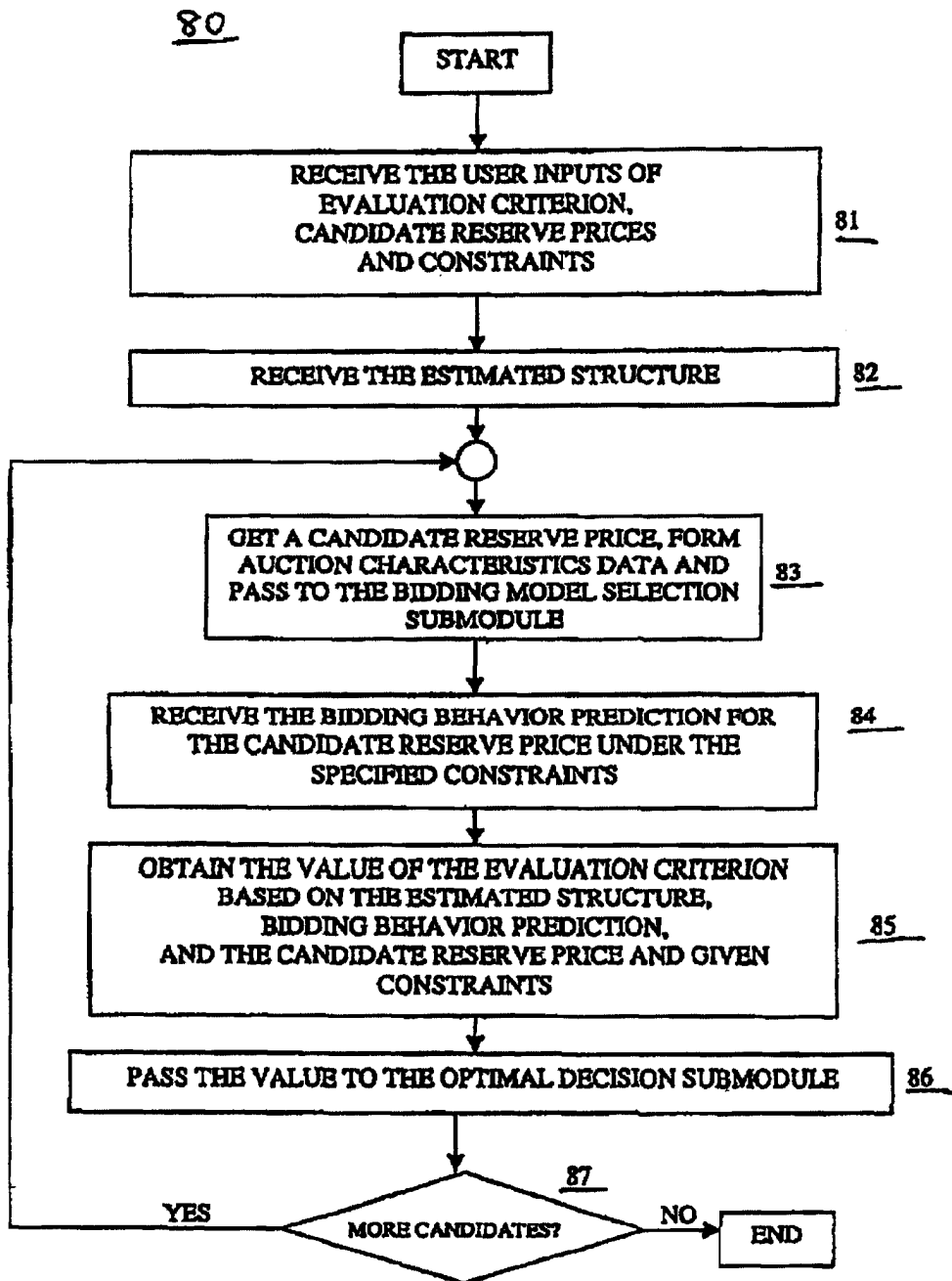


FIGURE 8

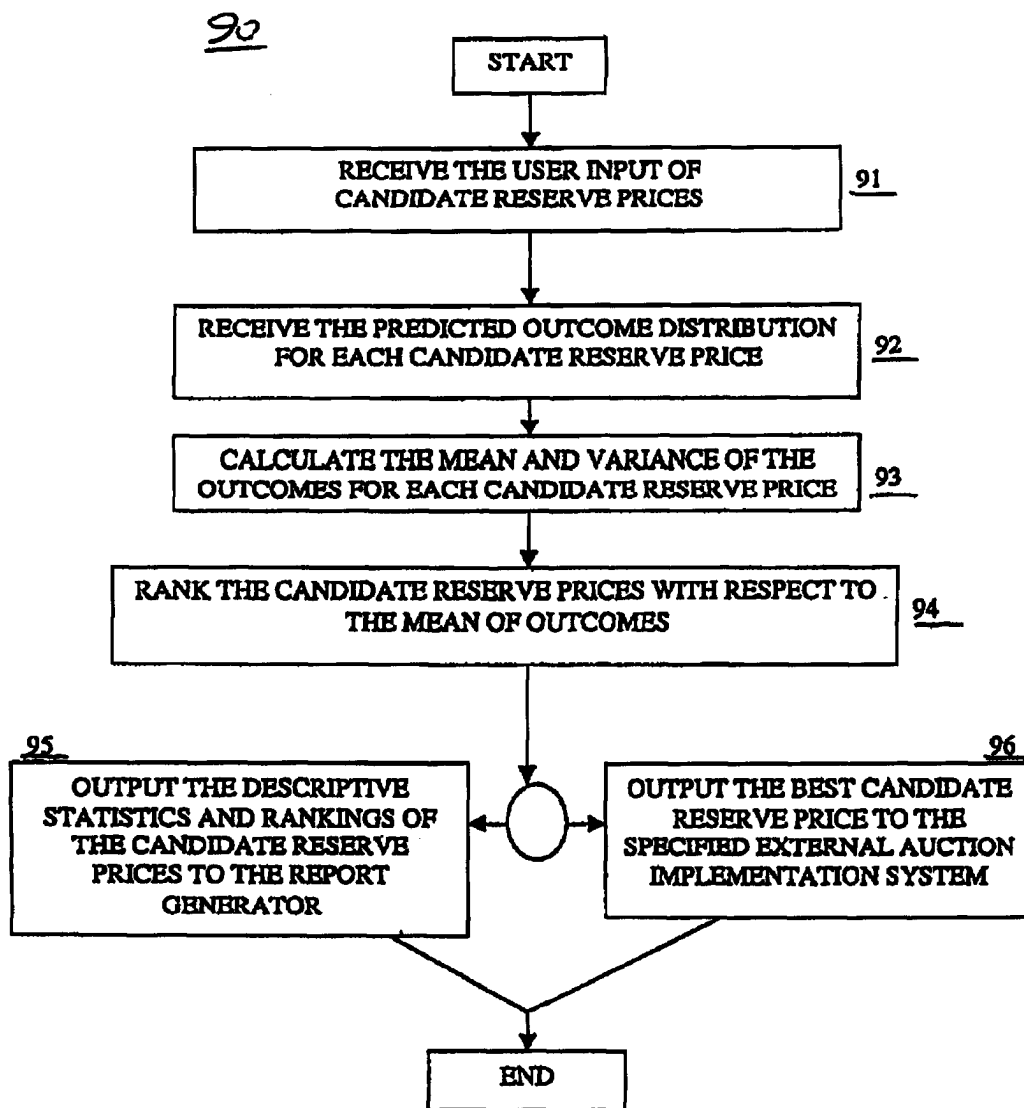
OPTIMAL DECISION SUBMODULE

FIGURE 9

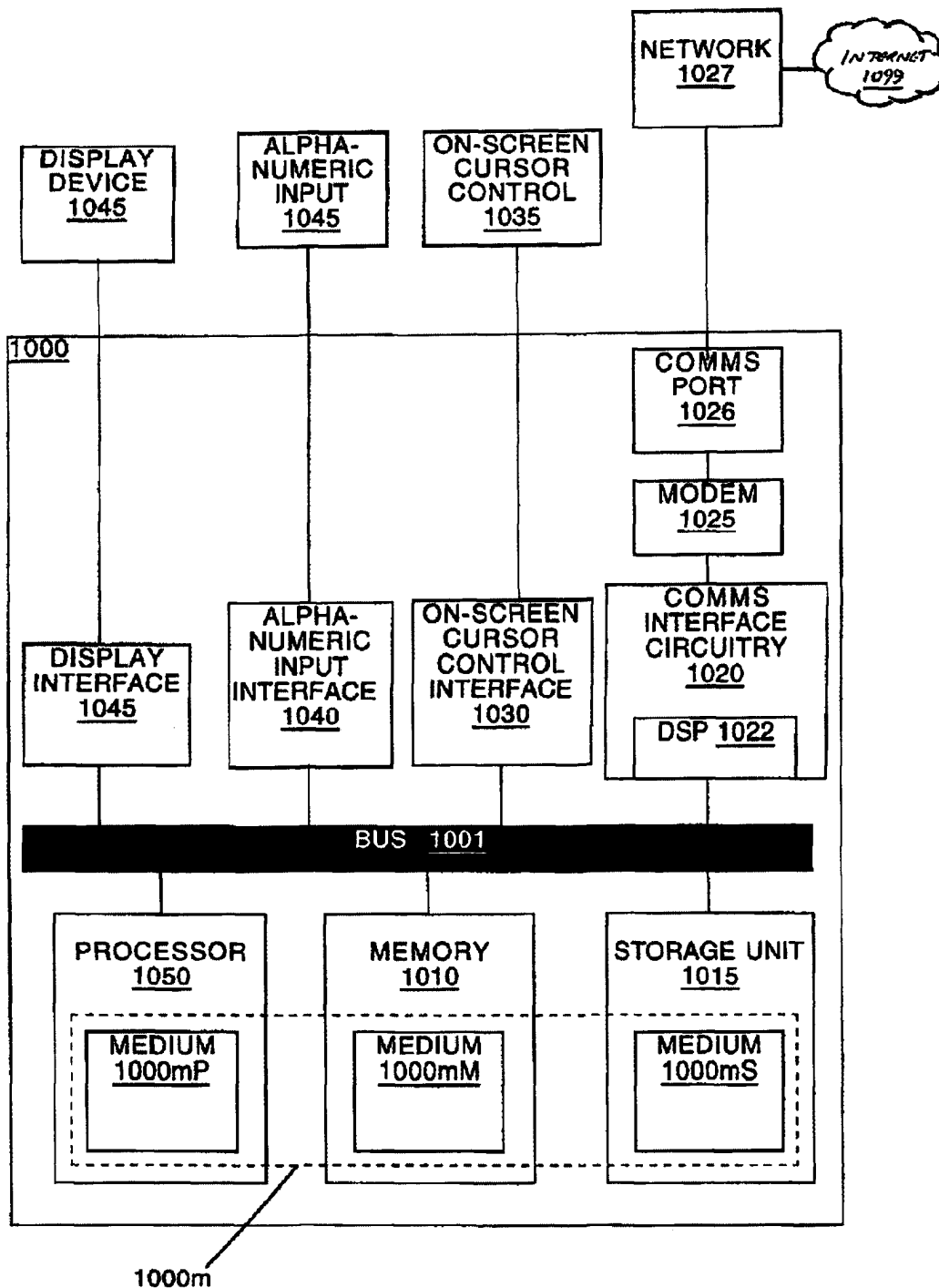


Figure 10

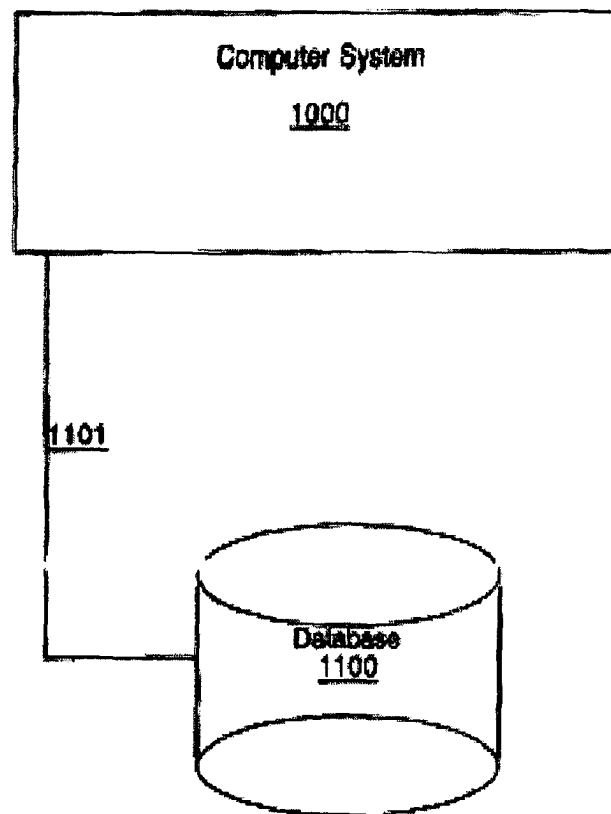


Fig. 11